

# STATE OF LOUISIANA HOUSE CONCURRENT RESOLUTION 25



10/12/2016

Louisiana State Civil Service Response

# STATE OF LOUISIANA

## HOUSE CONCURRENT RESOLUTION NO. 25

### 2016 REGULAR SESSION

---

**In response to House Concurrent Resolution No. 25, the Department of State Civil Service respectfully submits the following report.**

---

#### COMMENTS

The Department of State Civil Service (SCS) was created by the State Constitution of 1974, Article X: Public Officials and Employees. Over the years, SCS has evolved from a strictly operational and regulatory agency to one that provides training, program reviews and consulting services. Our concentrated efforts to provide human resources services and programs that enable state government to attract, develop and retain a proactive and diverse workforce are fundamental to the agency's existence.

SCS continually examines our internal agency structure and processes to ensure efficient operations. In addition, we are taking proactive approaches to reviewing civil service rules and procedures and are working closely with agency appointing authorities and the human resources community to seek areas of improvement. Our human resources program is the foundation on which Louisiana's government workforce implements the administration of services that affect the welfare, health and safety of our citizens.

Regardless of whether our State is faced with projected surpluses or deficits, one thing remains constant; the fact that we must maintain initiatives aimed at retaining a competent and experienced workforce that will provide continuity of services to our citizens. State employees both classified and unclassified are critical to this effort.

Our State is continually competing with both the public and private sector to retain employees. The retention of competent and experienced public employees in the state of Louisiana is critical, as the cost of turnover itself can be extremely detrimental to agencies already dealing with budgetary issues in the current fiscal climate. Likewise, there can be significant organizational impacts that ultimately affect services provided to the public due to the loss of experienced employees. We can look to the Department of Corrections for a pertinent example of both of these impacts. Out of all of the non-supervisory Correctional Officers at DOC, 48.5% of these employees have less than 5 years of experience with a 28.9% of these employees have less than two years of experience. Combine this significant level of inexperience with low starting salaries (Correctional Officers in LA start at a salary of \$24,256.80 – one of the lowest in the nation), and considering that DOC spends millions in turnover cost each year, the detrimental

effects of this situation are clear, and represents a negative effect on the operations of public safety within our State. Other agencies struggle with this same situation.

The initiatives of SCS are relatively simple, all focus on the retention of a workforce. The workforce is the body that will assist state agencies in ensuring efficiencies and improvements are maintained. To this point, SCS recommends that agency appointing authorities be empowered to manage their operational budgets with autonomy to ensure merit-based, uniform compensation of their employees.

## STATE OF LOUISIANA WORKFORCE DEMOGRAPHICS

In an effort to have a full understanding of the government workforce and why SCS initiatives are vital to the operations of each state agency, a more in depth review of the State's workforce demographics is needed, especially when considering the relationship between state employment numbers and the overall population increases since 2007.

The table below provides a summary of total state government employment numbers (classified and unclassified) from the previous gubernatorial administration:

State Employment Counts during the Jindal Administration (CLASSIFIED AND UNCLASSIFIED)		
Type of Count	12/31/2007	12/31/2015
Employee Total Headcount	100,677	68,150
Employee Total FTE	93,554	61,583

As illustrated, there was a 32% reduction in employee headcount and a 34% reduction in full time equivalents (FTE) for the combined workforce. These historical reductions in state employment resulted in state employees having increased workloads due to fewer staff to share in the volume of work to be done. Work volume continues to grow with increases in the State's population and the demands for services.

## STATE EMPLOYMENT AS COMPARED TO POPULATION

The population in Louisiana has increased from 4,293,204 in 2007 to 4,670,724 in 2015. (U.S. Census, ACS, 1-Year Estimates for 2007 and 2015)

This roughly equates to an increase ratio of 1 employee to 24 citizens served based upon the total employee headcount in 2007 to a ratio of 1 employee to 68 citizens served in 2015.

The impact of these changes can be seen all across the state. Critical jobs such as Child Welfare Specialist and Probation and Parole Officers continue to see case load increases as staff numbers are reduced. The ability for both of these groups to adequately manage and engage their caseloads can be the difference between life and death for a child or safety of the general public.

While SCS recognizes the tremendous financial obstacles our state government is facing, we feel it is in the best interest of the citizens to invest in the employees of this State so that we continue to meet the mandates of our state agencies to provide public services to the citizens of Louisiana. While private industry and business in Louisiana are focused on profit and business development/growth, state agencies are focused on service delivery for the public – very different deliverables which require a different type of analysis when looking at their effectiveness. Public employees provide services that cannot be measured with a bottom line. In fact, looking at the services provided by state employees, both classified and unclassified, through the lens of a profit-based structure is a disservice to the hard work and commitment that these employees have shown.

# State Civil Service Initiatives

## SCS INITIATIVE NO. 1: MERIT SYSTEM INVESTMENTS/HR OPTIMIZATION

Building upon our efforts to become a leader in merit based innovation throughout the nation, the time has never been more appropriate than now to optimize the value of our State's merit system. Over the last 20 years SCS has made tremendous progress in pushing the boundaries of innovation in public service in an effort to be more responsive to the needs of the state as well as the public. To continue such progress, we must work together with the state human resources community to identify best practices and evaluate successful approaches at recruitment, development and retention. Through this collaboration, SCS will be able to lead the human resources community into new areas of innovation, while at the same time, establishing standards of practice for other states throughout the nation.

While we have made tremendous strides, our value has not been adequately communicated to the general public. We must restore the public's trust in our merit system and human resources practices. A well-defined and innovative human resources program has a positive impact on the State's overall service delivery, since a productive and well-managed workforce will be much more able to achieve agency mission and goals, thereby providing a higher level of service to the general public. Additionally, the structure of the Louisiana merit system will provide the framework that will allow the state to move to the next level of innovation in terms of statewide recruitment, employee development, retention, and ultimately, employee performance.

### STRATEGIES

- Promoting the value of State Government Employees
- Forming strong relationships with agency leaders and the state's human resources community
- Relaunch of the SCS Human Resources Advisory Committee
- Providing value in HR metrics for decision makers
- Advocating open and transparent relationships with all branches of government
- Investing in technologies that can capture, analyze and monitor human capital data for strategic planning
- Finding alternative approaches to compensating employees for performance
- Enhanced focus on delivering agency specific training

## SCS INITIATIVE NO. 2: PROACTIVE APPROACH TO REDUCING TURNOVER

High employee turnover can have a severe impact on state agencies. Impacts can be felt both financially and organizationally. Considering the states limited resources financially, SCS is proactively assisting state agencies in the development of action plans to reduce turnover. For example, SCS is currently working with the leadership of the Department of Children and Family Services in the area of Child Welfare. Work will include interviewing existing incumbents of Child Welfare Specialist positions to identify the necessary competencies needed to be successful in the position. From there, staff will work with DCFS to develop a comprehensive approach at targeted recruiting, behavioral based interviewing and building of competencies in existing staff. All efforts will be aligned with the Department Head's vision and mission. SCS plans to expand this agency specific consultation with other State agencies in an effort to reduce staff turnover and maximizing development opportunities for existing staff that will ultimately lead to succession planning.

As depicted in the chart below, cost to replace voluntary separations from state service can be expensive for our taxpayers. Even modest improvements in turnover have the potential to provide valuable savings to the State.

Turnover Costs in the Classified Service for the Last Three Years				
FY	Overall Rate	Voluntary Rate	Cost--3 month	Cost--12 month
14-15	16.09%	12.38%	\$26,480,799.72	\$105,923,198.90
13-14	23.78%	14.53%	\$32,372,829.05	\$129,491,316.20
12-13	31.80%	18.89%	\$48,303,094.34	\$193,212,377.38

Based on the Mathis/Jackson Simplified Turnover Costing Model.

### STRATEGIES

- Building upon consultative services with state agencies to explore alternative recruitment and retention techniques that aim to reduce turnover and increase retention
- Develop critical competencies for high turnover jobs
- Investing in "talent science" technologies that assess competencies and behaviors of job candidates to those needed for successful performance in a specific job
- Expand recruitment efforts with the assistance of agency hiring managers
- Develop behavioral based interview questions

- Brand state government as an employer of choice
- Align employee compensation to the competing pay markets. (See Item #4 SCS Commission Study Group)
- Build upon current HR metrics for decision making

## SCS INITIATIVE NO. 3: WITHHOLDING OF PERFORMANCE ADJUSTMENTS

On June 16, 2016, the State Civil Service Commission adopted C.S.R 6.14.2 to temporarily suspend the authority of an appointing authority to grant performance adjustments to classified employees. This adoption was subsequently approved by Governor Edwards. Due to this temporary suspension, all provisions of the performance adjustment rule was suspended from June 29, 2016 through June 29, 2017. Such action allowed for the uniform suspension of performance adjustments in the classified service that would have cost the state approximately \$45 million dollars from October 1, 2016 through June 30, 2017.

*While the State Civil Service Commission supported this initiative, the body cautioned on the effects of not compensating employees and the critical impact prolonged suspensions could have on the workforce and the merit system.*

## HISTORICAL FIGURES ON PERFORMANCE ADJUSTMENTS GRANTED TO CLASSIFIED EMPLOYEES

Fiscal Year	Percentage of Employee Granted Performance Adjustments
2010-2011	0% (authority suspended by SCSC)
2011-2012	0% (authority suspended by SCSC)
2012-2013	Less than 10%
2013-2014	Less than 50%
2014-2015	75%
2015-2016	23%
2016-2017	0% (authority suspended by SCSC)



## SCS INITIATIVE NO. 4: STATE CIVIL SERVICE COMMISSION STUDY GROUP ON CLASSIFIED EMPLOYEE COMPENSATION

In 2016, the State Civil Service Commission began a series of meetings with diverse group of stakeholders to discuss the overall compensation for state classified employees. Three objectives were outlined:

- Study the relative health of the State's (6) classified pay schedules as outlined in the 2015 Annual Pay Plan Report to the Commission,
- Study the compensation methods currently allowable by Civil Service Rules and lastly,
- Study the rules, policies and procedures which govern the disbursements of performance adjustments.

Members of the Study Group included:

- State Civil Service Commission
- State Civil Service Director
- Representative of the Governor's Office
- Representative of the Division of Administration
- Representative of the Louisiana Workforce Commission
- Representative of the House and Governmental Affairs Committee
- Representative of the Senate and Governmental Affairs Committee

The State Civil Service Director will be providing the outcome of this study in early November to the SCS Commission as a whole. Overall, the Director's recommendations will reflect the pulse of the study group, which includes moving away from the current compensation philosophy that lags the market to one that meets the market.

Recommendations will also include moving away from a compensation system that places emphasis on discretionary pay options targeted to individuals and focus our attention on moving our classified workforce closer to market as a whole. Lastly and most importantly, the Director intends to provide alternative approaches to current 4% base pay increase for successful and exceptional performance.

### STRATEGIES

- Re-evaluate the State's Compensation Philosophy
- Align "pay for performance" with industry standards and best practices

## SCS INITIATIVE NO. 5: RECENTRALIZATION

The Department of State Civil Service effectively recentralized its core functions of evaluating the minimum qualifications of job applicants. This function was previously decentralized to state agencies. After a full year of recentralization, State Civil Service has been able to realize efficiencies in technology by use of screening methods in our online application system. Such efficiencies allow for quicker turnaround time for determining minimum qualifications.

The Department also recentralized the allocation of all classified jobs which was previously decentralized. Initial review of our process indicates that we are gaining uniformity in the classification of positions across state government, which have a direct implication on cost control. Overall recentralization allows these routine transactions to be removed from the HR community statewide, which in turn, should allow for HR offices to restructure their limited resources to provide more strategic value to appointing authorities.

### STRATEGIES

- Cost Control through allocation of classified positions
- Uniformity of job classifications across state agencies
- Realign Agency HR professionals as strategic partners with their Appointing Authorities